

[Federal Register: March 27, 2006 (Volume 71, Number 58)]
[Notices]
 [Page 15237-15238]
 From the Federal Register Online via GPO Access [wais.access.gpo.gov]
 [DOCID:fr27mr06-102]

 SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53503; **SR-DTC-2006-01**]

Self-Regulatory Organizations; The Depository Trust Company;
 Notice of Filing and Immediate Effectiveness of a **Proposed** Rule Change
 Relating to the Participant Exchange System

March 16, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (**Act**), notice is hereby given that on January 19, 2006, The Depository Trust Company (**DTC**) filed with the Securities and Exchange Commission (**Commission**) the **proposed** rule change as described in Items I, II, and III below, which Items have been prepared primarily by **DTC**. The Commission is publishing this notice to solicit comments on the **proposed** rule change from interested persons.

 \1\ 15 U.S.C. 78s(b)(1).

I. Self-Regulatory Organization's Statement of the Terms of Substance of the **Proposed** Rule Change

Under the **proposed** rule change, **DTC** will disable its Participant Exchange (**PEX**) buy-in functionality for the National Securities Clearing Corporation's (**NSCC**) Continuous Net Settlement (**CNS**) buy-ins on or about February 10, 2006.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the **Proposed** Rule Change

In its filing with the Commission, **DTC** included statements concerning the purpose of and basis for the **proposed** rule change and discussed any comments it received on the **proposed** rule change. The text of these statements may be examined at the places specified in Item IV below. **DTC** has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the **Proposed** Rule Change

Between 2003 and 2005, **DTC** made several rule filings to establish and enhance its SMART/Track service. In rule filing **SR-DTC-2005-19**, **DTC** added the SMART/Track for Buy-Ins service that provides automated communication, warehousing, and tracking of various types of buy-in related **notices**. As part of that filing, **DTC** announced that the SMART/Track for Buy-Ins service would replace the buy-in functionality of **DTC**'s PEX platform.

Under this **proposed** rule change, **DTC** will disable the PEX functionality for NSCC's CNS buy-ins on or about February 10, 2006. Accordingly, **DTC** participants and NSCC CNS users must register for the SMART/Track for Buy-Ins service. **DTC** has been assisting its participants and CNS users in this regard.

 \2\ Securities Exchange Act Release Nos. 50029 (July 15, 2004),
 69 FR 43870 (July 22, 2004) (Universal Hub, Stock Loan notification

service); 50887 (Dec. 20, 2004), 69 FR 77802 (Dec. 28, 2004) (Corporate Action Liability Notification Service); 52104 (July 21, 2005), 70 FR 43730 (July 28, 2005) (SMART/Track for Agency Lending Disclosure); and 53032 (Dec. 28, 2005), 71 FR 1457 (Jan. 9, 2006) (SMART/Track for Buy-Ins) [SR-DTC-2005-19].

\3\ Securities Exchange Act Release No. 53032 supra note 2.

\4\ **DTC** and NSCC have notified their respective participants of this action. **DTC** Important Notice B9049-06 (Jan. 19, 2006) available online at http://www.dtc.org/impNtc/ope/ope_9049-06.pdf;

NSCC Important Notice A6189 (Jan. 19, 2006), available online at <http://www.nsc.com/impnot/notices/notice2006/a6189.pdf>.

The PEX buy-in functionality for buy-ins other than NSCC CNS buy-ins (i.e. NYSE, AMEX, NASD, and NSCC Balance Order buy-ins) and for Municipal Securities Rulemaking Board closeouts will remain active until the final phase of SMART/Track for Buy-Ins is implemented, which is currently anticipated to happen in June 2006. When that happens, all PEX buy-in functionality will be disabled pursuant to a rule filing that **DTC** will file at that time.\5\ **DTC** and NSCC will notify their participants of the exact date of such termination through Important **Notices**.

\5\ PEX will remain a **DTC** service for other functions not related to buy-ins.

DTC believes that the **proposed** rule change is consistent with the requirements of Section 17A of the Act \6\ and the rules and regulations thereunder because it is consistent with **DTC**'s obligation to safeguard securities and funds in its custody or control.

\6\ 15 U.S.C. 78q-1.

B. Self-Regulatory Organization's Statement on Burden on Competition

DTC does not believe that the **proposed** rule change will have any impact or impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the **Proposed** Rule Change Received From Members, Participants, or Others

DTC has not solicited or received written comments relating to the **proposed** rule change. **DTC** will notify the Commission of any written comments it receives.

[[Page 15238]]

III. Date of Effectiveness of the **Proposed** Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) \7\ of the Act and Rule 19b-4(f)(4) \8\ thereunder because it effects a change in an existing service of **DTC** that does not adversely affect the safeguarding of securities or funds in **DTC**'s control or for which **DTC** is responsible and does not significantly affect **DTC**'s or its participants' respective rights or obligations. At any time within 60 days of the filing of the **proposed** rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

 \7\ 15 U.S.C. 78s(b)(3)(A)(iii).
 \8\ 17 CFR 240.19b-4(f)(4).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the **proposed** rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or Send an e-mail to rule-comments@sec.gov. Please include

File No. **SR-DTC-2006-01** on the subject line.

Paper Comments

Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File No. **SR-DTC-2006-01**. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all

written statements with respect to the **proposed** rule change that are filed with the Commission, and all written communications relating to the **proposed** rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C 552, will be available for inspection and copying in the Commission's Public Reference Section, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at **DTC's** principal office and on **DTC's** Web site at <http://www.dtc.org/impNtc/mor/index.html>. All comments

received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. **SR-DTC-2006-01** and should be submitted on or before April 17, 2006.

\9\ 17 CFR 200.30-3(a)(12).

For the Commission, by the Division of Market Regulation,
 pursuant to delegated authority.\9\
 Nancy M. Morris,
 Secretary.

[FR Doc. E6-4345 Filed 3-24-06; 8:45 am]
 BILLING CODE 8010-01-P